

ADDENDUM TO
Technical Services Contract
Posey County, Indiana
2007, 2008, 2009, 2010

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Technical Services 2007, 2008, 2009, 2010
Posey County, Indiana
ARC #07-IN-366-POS-00-90



This addendum, which becomes an integral part of the Posey County Technical Services Contract signed on December 18, 2001, is entered into this _____ day of _____, 2007, by and between the Posey County Commissioners representing the Posey County Assessor hereinafter referred to as the "Assessors", and Appraisal Research Corporation, an Ohio Corporation with an office in Greensburg, Indiana, licensed to do business in Indiana, hereinafter referred to as "ARC".

AGREEMENT

1. DETAILS

All work carried out in connection with this project shall be in accordance with Regulation Guideline, published by the Department of Local Government Finance (DLGF), and also with generally accepted appraisal principles and the ethical professional guidelines of the International Association of Assessing Officers (IAAO).

2. PROGRAM DEFINITION

ARC shall assist the Assessors in developing an on-going parcel review plan which will result in fair and equitable real property assessments. ARC shall follow the Constitution and laws of the State of Indiana. Value estimates shall be established following the rules, forms, schedules and standards, and provisions set forth by the "Indiana Real Property Guideline." ARC understands the nature of this work is to provide the Assessors assistance in developing proper valuation. All decisions for final assessed valuation of properties, forms, records and supplies to be furnished, shall be made by the Assessors.

3. ARC/ASSESSORS RESPONSIBILITIES

- a. ARC shall review all parcels in Posey County by comparing the accuracy of the Assessors' real property inventory records to the actual properties through field visitation, and by collecting all information necessary for valuation. One quarter (1/4) of all the parcels in the County shall be reviewed in each of the next four (4) years. ARC shall produce digital photography of improvements reviewed over a four (4) year cycle that is accurate and up-to-date so that whenever a reassessment date is established by the DLGF or legislature, the Assessors shall be ready to revalue property.

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- b. ARC shall continue to provide Industrial, Commercial, and Exempt New Construction field visitation services on a yearly basis. ARC shall also visit all New Construction Parcels, including Residential and Agricultural, in the given township(s) that they are performing the valuation services covering the four year period of this addendum. All New Construction parcels for the prior year, requiring field visits, shall be submitted to ARC by March 31. Parcels submitted after March 31 shall be subject to per diem rates as stated in Exhibit A of this Addendum.
- c. To insure delivery of the annual sales ratio study and neighborhood market adjustment factors by the DLGF imposed deadline of June 1 of each year, the Assessors shall provide ARC with reports of all complete and correctly validated sales disclosure data for the prior two (2) years with current trended assessed values no later than the DLGF imposed deadline of March 1, in an electronic format acceptable to the DLGF (standard 2004A). Each sales data submission received after the March 1 deadline, but on or before April 1, shall be processed by ARC at the current per diem rates as stated in Exhibit A of this Addendum and shall delay the delivery of the ratio study by one (1) month to July 1. Each additional sales data submission received after April 1, but on or before May 1, shall be processed by ARC at current per diem rates, and delay the delivery of the ratio study by two (2) months to August 1. Each sales data submission received after May 1, but on or before June 1, shall be processed by ARC at current per diem rates, and delay the delivery of the ratio study by three (3) months to September 1. Any sales data submission intended to be included in the final trending study, but not received by ARC until after the final trending study has been transmitted to the DLGF, shall be processed at current per diem rates, and delay the resubmission of the amended trending study to the DLGF by no more than one (1) month from the date of receipt of the additional sales data.
- d. Assessors are responsible for remediation of all sales disclosure data issues. If requested, ARC shall assist at per diem rates as stated in Exhibit A of this Addendum.
- e. ARC shall assist the Assessors in the execution of a public information program. This program may include news releases, and public presentations as may be deemed appropriate by the Assessors. Such assistance may include news releases for the Assessors to use in notifying the property owners of the areas in which work is being conducted. ARC shall assist the public in understanding the purpose and objectives of the project and the methods and procedures by which it is carried out.
- f. ARC shall review Residential, Agricultural, Commercial, Industrial, and Utility.

- g. ARC shall verify and correct property record card information on all Residential and Agricultural improvements and outbuildings necessary to value the subject property for assessment purposes. ARC shall verify and correct property record card information on all Commercial and Industrial improvements and yard items including a percentage breakout for usage necessary to value the subject property for assessment purposes.
- h. ARC shall take a digital photo of improvements and multiple photos of large Agricultural, Industrial, or Commercial buildings. All data collection shall be conducted between 8:00 A.M. to 7:00 P.M.
- i. ARC shall be responsible for verifying that land values established by the Land Order for each parcel of property are properly applied. ARC may recommend changes to land values as a result of annual sales ratio analysis.
- j. ARC shall collect income and expense information to assist in the development of Gross Rent Multipliers and income capitalization rates.
- k. ARC shall review each neighborhood's standard condition rating and compare each dwelling to that standard when setting the condition rating. ARC shall also review the effective age of each structure and make adjustments if necessary.
- l. ARC shall review neighborhood geographic delineations by physical inspection and recommend changes where appropriate.
- m. ARC shall be responsible for all data entry and application of changes using the Assessors' computer system.
- n. ARC shall generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the Legislative Services Agency and the DLGF.
- o. ARC shall be responsible for the defense of values each year of this contract. This shall include, but not be limited to, informal hearings with taxpayers, pre-hearing conferences, and PTABOA support. ARC shall provide five (5) person days with additional person days charged at four hundred dollars (\$400) per person day. Indiana Board and Tax Court hearings shall be provided at per diem rates as stated in Exhibit A of this Addendum.
- p. The Assessors shall provide adequate office space for project utilization. All furnishings, equipment, supplies and phone shall be supplied by ARC. Any additional

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expenses and liabilities resulting there from shall be incurred by ARC without any obligation to the Assessors.

- q. The Assessors shall furnish a copy of all tax maps, as well as, a copy of the property record card or worksheet containing the current physical data for each property to be reviewed.
- r. The Assessors shall be responsible for the printing of the property record cards, Form 11s and postage to mail the Form 11s.
- s. ARC understands that Posey County has approximately 18,744 parcels.

4. CONSIDERATION

- a. Consideration for the Cyclical Review as stated in this contract is one hundred twenty-six thousand two hundred ninety dollars (\$126,290) per year for a four (4) year period. Late sales data submissions are subject to per diem rates as stated in Exhibit A of this Addendum).
- b. Payment to ARC for Paragraph A above, shall be made on a monthly basis pending approval of the monthly progress reports submitted by ARC, and on the Assessors' inspection of the assessment records. Payment shall be made within thirty (30) days after approval by the Assessors.
- c. Consideration for the services defined in the original contract of 12/18/01 such as Annual New Construction, Annual Trending, and other Technical Services shall continue to be billed monthly as performed on current per diem rates as stated in Exhibit A of this Addendum.

5. TERM OF CONTRACT

- a. All services to be performed under this contract shall be from date of signature to a completion date of July 1, 2010, except those services regarding appeal support for 2010.
- b. This contract shall remain in force until either party notifies the other that the services provided are terminated. The notice shall be in writing and shall be served thirty (30) days before the ending of the contract.

6. PENALTY

- a. If ARC should fail to complete the appraisal program by the completion date of this contract, except for informal and PTABOA hearings, then all further payment shall be suspended at that time until all work has been completed. Payment of the suspended amount shall be made to ARC within thirty (30) days after that certification.
- b. ARC shall pay the Assessors an amount of fifty dollars (\$50.00) per day beyond the completion date; Saturdays, Sundays and Holidays excluded. Such penalty shall be deducted from the contract sum owed to ARC by the Assessors. Completion shall be established for each part of the program as part of the contract negotiations.

7. REPORTS

- a. ARC shall provide to the Assessors a work plan showing an appropriate schedule for the completion of work designated in the contract.
- b. ARC shall submit periodic progress reports to the Assessors showing the status of the project. ARC shall also provide other informational reports from time to time as requested by the Assessors.

8. ACCESS TO RECORDS

The Assessors (or any member of the Board of Assessors) are welcome to visit ARC's offices at any time, or to accompany any ARC person into the field to view the quality of work being carried out. ARC shall provide full access to all record requests for the purpose of program monitoring.

9. NON-DISCRIMINATION

ARC shall not discriminate against any employee or application for employment, to be employed in the performance in this contract, with respect to his/her hire or tenure, or respect to terms, conditions, and privileges of employment because of race, color, religion, sex, handicap, national origin or ancestry. The breach of this covenant shall be regarded as a material breach of contract.

10. CLASSIFICATION OF PROPERTY

ARC shall be responsible for the identification of each parcel of real property in accordance with the property class codes as established by the State Board of Tax Commissioners in the "Indiana Real Property Appraisal Manual."

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11. IDENTIFICATION

- a. ARC shall provide its field and office personnel with suitable identification cards, which include an up-to-date photograph.
- b. All automobiles used by field personnel shall be registered with the County Sheriff's office, as well as with local police departments and the various villages and towns within the County. Such registration shall include license number, make, model, year, and color of vehicle. ARC shall also register all vehicles used by field personnel with the Assessors' office.

12. ARC EMPLOYEES

ARC shall assign an Indiana Level II Certified Assessor to this project. ARC shall use qualified and experienced employees to carry out all phases of this project. The Assessors shall have final approval of all ARC employees.

13. INSURANCE AND WORKER'S COMPENSATION

- a. ARC shall carry automobile, public liability and worker's compensation in the minimum amounts as shown below:

<u>Type</u>	<u>Coverage</u>	<u>Amount</u>
Automobile	Bodily injury	\$100,000/\$300,000
	Property Damage	\$100,000
Public Liability		\$100,000/\$300,000
Worker's Compensation		Statutory requirement

- b. If requested, a certificate from an insurance carrier authorized to do business within the State of Indiana shall be furnished to the Assessors attesting to the above coverage.
- c. ARC shall indemnify and save the Assessors, its officers and employees, harmless from all claims, demands, payments, suits, actions, recovery, and judgments of every kind and description brought or recovered against it by reason of any act or omission of ARC, its agents, or employees in the execution of this project.

14. QUALITY CONTROL AND PROJECT INSPECTION

The Assessors may inspect the work being done by ARC during the program, and/or assign one or more staff personnel to work with ARC to assure a high quality and thorough program.

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15. GENERAL PROVISIONS

- a. This contract sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes all prior oral and written agreements and understandings between the Assessors and ARC relating thereto. No representation, promise, inducement, or statement of intention has been made by either party which is not set forth in this contract and neither party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth.
- b. No waiver, alteration, modification, or cancellation of any of the provisions of this contract shall be binding unless made in writing and signed by all those signing the contract, or their successors in office (with respect to the Assessors) or their administrators, successors or assigns (with respect to ARC). The failure of either party at any time (or times) to require performance of any provision hereof shall not be considered a waiver and will in no manner affect the right at a later time to enforce such provision.
- c. In the event that one or more of the provisions contained in this contract shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or enforceability shall not affect any other provisions contained in this contract. If any provision contained in this contract shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it then shall appear.
- d. This contract shall be subject to and interpreted in accordance with the laws of the State of Indiana and suit, if any, shall be brought in Indiana courts.
- e. This contract shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives; provided, however, that the rights, duties and privileges of ARC hereunder may not be transferred, sub-licensed or assigned by it, either in whole or part, without the prior written consent of the Assessors.

16. TERMINATION AND VENUE

Either party may make termination of this entire agreement with thirty (30) days written notice. Written notice must be given by certified mail. The remaining fee, which is due ARC from the Assessors, shall be paid in an amount determined by mutual written agreement of the parties. If no agreement is reached within thirty (30) days of the cancellation, then said issue concerning

compensation shall be subject to mediation as a condition precedent to the institution of legal or equitable proceedings by either party, under the terms and conditions for mediation set forth herein. If termination is for cause, in which case the remainder of the annual fee shall not be due. In the event of legal proceedings venue shall be Posey County, Indiana.

17. MAINTAINING A DRUG-FREE WORKPLACE

ARC hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this contract a drug-free workplace. ARC shall give written notice to the Assessors within ten (10) days after receiving actual notice that an employee of ARC has been convicted of a criminal drug violation occurring in ARC's workplace. ARC further agrees that this Agreement is expressly subject to the terms, conditions and representations contained in the Drug-Free Workplace certification executed by ARC.

18. CONFIDENTIAL NATURE OF APPRAISAL DATA

ARC shall assure that no individual on ARC's staff shall disclose any appraisal information to any individual, firm or corporation other than appropriate public officials and their authorized agents. Any data, which is to be released, shall be provided to the Assessors who shall provide for its release. However, the Department of Local Government Finance and the Legislative Services Agency shall have unrestricted access to ARC's work product under this Agreement.

19. FORCE MAJEURE

Neither party shall be liable for delays or performance failures resulting from and caused by acts beyond the party's control. Such acts shall include acts of God, acts of war, epidemics, communication line failures, power failures, earthquakes, and other similar disasters. In every case the delays must be beyond the control and without the fault or negligence of the non-performing party.

20. LIABILITY

ARC agrees to indemnify, defend, and hold harmless the Assessors and their townships and county, and all agents, officers and employees of those townships and that county, from all claims and suits including, court costs, attorney's fees, and other expenses, caused by any act or omission of ARC and/or its subcontractors, in connection with this contract.

21. INDEPENDENT CONTRACTOR

In the performance of this contract, ARC shall be acting in an individual capacity and not as an agent, employee, partner, joint venturer or associate of the Assessors. The employees or agents

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of ARC shall not be deemed or construed to be the employees or agents of the Assessors for any purpose whatsoever.

22. DELAYS

Whenever the ARC or the Assessors have knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, they shall within thirty (30) days provide written notice of the delay to the other party by certified mail, return receipt requested, including all relevant information with respect to the actual or potential cause of the delay.



IN WITNESS WHEREOF, the parties have executed this contract by their duly authorized officers.

POSEY COUNTY, INDIANA

[Signature]

Commissioner

Date: 06/05/07

[Signature]

Commissioner

Date: 06/05/07

[Signature]

Commissioner

Date: 06/05/07

PLEAS
&

ATTESTED:

[Signature]

Auditor

Date: 06/05/07

Assessor

Date: _____

APPRAISAL RESEARCH CORPORATION

[Signature]

Richard H. Hoffman, ASA, CAE, MAI, CRE
President & CEO

Date: 8TH Feb 2007

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EXHIBIT A
PER DIEM RATES

Senior Designated Appraiser	\$150.00 per hour
Designated Appraiser	\$125.50 per hour
Senior Level II Assessor	\$100.00 per hour
Level II Assessor	\$75.00 per hour
Computer Systems Analyst	\$85.00 per hour
Real Estate Information Tech	\$55.00 per hour
Data Entry Supervisor	\$47.50 per hour
Clerical Support	\$30.00 per hour